



The Secretary for Health Services

COMMONWEALTH OF KENTUCKY
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PAUL E. PATTON
GOVERNOR

MARCIA R. MORGAN
SECRETARY

November 22, 2002

Pharmacy Provider Letter #A-455

Dear Pharmacy Provider:

This letter is to give you notice of a Medicare Point of Sale edit that will be added to the Medicaid program claims processing system for pharmacy services. This edit will ensure that Medicare-covered drugs are not paid by Medicaid. Those services, which Kentucky Medicaid recognizes as routinely covered by Medicare, will deny if submitted first to Medicaid. We anticipate that this change will take place during the first calendar quarter of 2003. Advance notice is being given so pharmacies can take any steps necessary to continue to provide services to Medicare beneficiaries.

This notice concerns Medicare Part B covered drugs dispensed by outpatient pharmacy providers.

Background

Federal Regulation, 42 CFR 433.139 requires states to deny (cost avoid) Medicaid claims until after the application of available third party benefits. It is our obligation to have edits in place, where possible, to cost-avoid payments where there are third party services available. Where edits are not feasible, it is our obligation to recoup inappropriate payments periodically on a post-payment basis.

Kentucky's plan to install an edit to cost-avoid payments for Medicare-covered drugs follow similar actions in a number of neighboring or southeastern states including Georgia, West Virginia and Illinois. It is consistent with the requirement that Medicaid be "the payor of last resort." We urge Kentucky pharmacies that are not currently enrolled as Medicare providers to pursue enrollment as quickly as possible.

"...promoting and safeguarding the health and wellness of all Kentuckians."



EQUAL OPPORTUNITY EMPLOYER M/F/D

Enrollment with Medicare

In order to submit claims to Medicare, Pharmacies must first enroll with Medicare through the National Supplier Clearinghouse and receive a Provider Identification Number (PIN). Enrollment can be established by completing an enrollment application (Form CMS 855s – Application for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Suppliers). This application can be obtained by contacting:

National Supplier Clearinghouse
P.O. Box 100142
Provider Enrollment
Columbia, SC 29202-3142
1-866-238-9652

or

- Palmetto GBA website (www.palmettogba.com)
- Click on “Providers,” then “National Supplier Clearinghouse”
 - Click “Forms”
 - Select “Electronic CMS-855s Application Form”
 - Click on the link <http://www.cms.hhs.gov/providers/enrollment/forms/>
Under “CMS 855 Forms” select “DMEPOS Suppliers (CMS 855S)” – either the electronic version or the PDF Version (which requires Adobe Acrobat Reader)

Information for obtaining Medicare billing software can generally be obtained by contacting the pharmacy’s software vendor.

Medicare will issue a Provider Identification Number. This Medicare PIN must be supplied to Kentucky Medicaid in order for claims to be crossed over from Medicare to Medicaid.

The following information must be on file with Medicaid before the deductible and/or co-payments, if any, on crossover claims can be paid:

- Pharmacy Name and Address
- Kentucky Medicaid pharmacy provider number
- Medicare Provider Identification Number (PIN)
- Kentucky tax identification number
- Name and Signature of pharmacist-in-charge or other authorized person

Please send the information listed above to:

**KENTUCKY MEDICAID
Provider Enrollment
P.O. Box 2110,
Frankfort, Kentucky 40602-2110**

**Fax# - 502-226-1898
Phone # - 877-838-5085**

Please use the attached form. If there are multiple pharmacy locations enrolling in Medicare, each individual pharmacy must submit this information to the address listed above.

NEXT STEPS

The Department for Medicaid Services will work closely with the State Pharmacy Associations to help to get the word out about the upcoming Medicare Point of Sale edit and process for enrollment with Medicare.

In the near future, the Department will send out a provider letter detailing what Medicare Covered Drugs will be affected, the process for denials, and who to contact regarding Customer Service Issues.

Sincerely,

Marcia R. Morgan
Secretary

Kentucky Department for Medicaid Services

Notification of Medicare Provider identification Number (PIN)

Pharmacy Name	
Mailing address (for specific pharmacy location)	
KY Medicaid pharmacy provider number	
KY Medicaid DME provider number (if applicable)	
Telephone number	
Medicare provider identification number (PIN)	
PIN effective date#	

Signature of Pharmacist or Other Authorized Individual

Date

MAIL notification to:

**KENTUCKY MEDICAID
Provider Enrollment
P.O. Box 2110
Frankfort, Kentucky 40602**

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Phone # 877-838-5085**